

## OPEN MEETING AGENDA ITEM

Chairwoman Lea Márquez Peterson  
Commissioner Sandra D. Kennedy  
Commissioner Justin Olson  
Commissioner Ana Tovar  
Commissioner Jim O'Connor

### **In the matter of the Arizona Corporation Commission's Energy Rules – Docket Number RU-00000A-18-0284**

#### **Comments by Advanced Energy Economy in Support of the Arizona Corporation Commission's Energy Rules Package**

Dear Chairwoman Márquez Peterson and Commissioners,

Advanced Energy Economy (“AEE”) appreciates the opportunity to provide comments on the above-referenced proceeding. AEE is an association of businesses dedicated to making the energy we use secure, clean, and affordable. AEE represents more than 100 companies and organizations that span the advanced energy industry and its value chains. Our membership provides a broad array of technologies and services, including energy efficiency, demand response, solar, wind, storage, electric vehicles, advanced metering infrastructure, transmission and distribution efficiency, fuel cells, hydro power, combined heat and power, enabling software and more. Together, these technologies and services create and maintain a higher performing energy system that is reliable, resilient, diverse, and cost-effective.

AEE reiterates its strong support of the Arizona Corporation Commission (“ACC” or “Commission”) proposed Energy Rules that would require regulated utilities to reduce carbon emissions from electricity sales by 50% in 2032, 75% in 2040, and 100% by 2050. If properly implemented, these rules can provide a robust, long-term investment signal to Arizona’s advanced energy industry while lowering utility customer bills across the state<sup>1</sup>. While we appreciate the robust discussion over the last several months on the trajectory of the Commission’s proposed rules, **we respectfully request that the Commission take near term action to move forward with the Energy Rules.**

The merits of the Energy Rules are well-founded: zero-carbon generation technologies like solar and wind continue to decline in cost. Increased focus on energy efficiency will further reduce customer bills while avoiding the need to procure more costly peaking generation. Clear energy storage targets will support the integration of low-cost renewables and provide valuable capacity services during periods of high demand. Moreover, under the

<sup>1</sup> <https://swenergy.org/pubs/arizona-energy-rules-analysis-jan2021>

proposed rules, the Commission retains the authority to modify proposed investments in utilities' integrated resource planning processes should the Commission find that such investments are not cost-effective – ensuring that utility rates remain just and reasonable. Critically, the Energy Rules' interim targets also provide concrete, achievable milestones that will drive near-term investment in cost-effective technologies that can meet grid needs while creating a pathway to encourage the procurement of emerging technologies in future years. Both Arizona Public Service and Tucson Electric Power have declared support <sup>2 3</sup> for the proposed energy rules as amended and approved by the Arizona Corporation Commission on November 13, 2020, without protest to the interim targets. Codifying these goals will increase certainty for Arizona's growing advanced energy industry and benefit ratepayers through a cost-competitive energy procurement of clean resources. Additionally, the Energy Rules are the result of significant Commission effort over the last several years to establish a vision for the state's energy future: the broad support of businesses, environmental and public health organizations, local governments, hundreds of ratepayers and regulated utilities<sup>4</sup> for the rules is a testament to the collaborative, deliberate approach the Commission has taken to developing bold yet achievable targets that benefit utility customers.

The record in this proceeding has demonstrably shown that the Commission's Energy Rules are well-aligned with a flexible, reliable, and low-cost electricity system in Arizona. Without clear, decisive near-term action to approve the Energy Rules, the Commission risks foregoing transformational investments that will make grid resources more cost-effective, clean, customer-centric, and resilient to the benefit of all utility customers and regulated utilities. We strongly encourage the Commission to approve the Energy Rules and put Arizona on a path toward a modern, secure energy future. Thank you for your attention and your extensive work on this subject.

Sincerely,

Shelby Stults  
Policy Principal  
Advanced Energy Economy



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<sup>2</sup> <https://docket.images.azcc.gov/E000011265.pdf?i=1614821982638>

<sup>3</sup> <https://docket.images.azcc.gov/E000011330.pdf?i=1614821982638>

<sup>4</sup> See compiled list of documented supporters and their filings at <https://www.arizonaenergyrules.com/supporters>

